



## STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080  
(916) 322-2270 • FAX (916) 324-3984  
[www.boe.ca.gov](http://www.boe.ca.gov)

BETTY T. YEE  
First District, San Francisco

SEN. GEORGE RUNNER (RET.)  
Second District, Lancaster

MICHELLE STEEL  
Third District, Orange County

JEROME E. HORTON  
Fourth District, Los Angeles

JOHN CHIANG  
State Controller

CYNTHIA BRIDGES  
Executive Director

**STATE BOARD OF EQUALIZATION MEETING**  
**450 N Street, Room 121, Sacramento**

**PRELIMINARY RECORD OF BOARD ACTION**

**Thursday, July 17, 2014**

The following is a preliminary record of Board actions taken at the July 17, 2014 Sacramento Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone Claudia Madrigal at 916-322-1931 or email: [Claudia.Madrigal@boe.ca.gov](mailto:Claudia.Madrigal@boe.ca.gov). Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

**Special Presentation**

- Presentation of Retirement Resolution  
Liz Houser, Administration Department

- A. Homeowner and Renter Property Tax Assistance Appeals Hearings  
There are no items for this matter.

**B. Corporate Franchise and Personal Income Tax Appeals Hearings**

B1. Quiller Barnes and Patricia Barnes, 717969

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B2. James Emmitt, 717136

B3. Rudolph Buriani and Norma Jean Buriani, 668146

## B4. Fr. Bishoy Abdel and Niven A. Escan, 600054

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**C. Sales and Use Tax Appeals Hearings**

## C1. Pahwa &amp; Associates, Inc., 531030 (CH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Mr. Horton	
The Board deferred consideration of the matter to the August 2014 Culver City meeting.	Ms. Steel	
	Mr. Runner	
	Ms. Yee	
	Mr. Chiang/ Ms. Mandel	

~~C2. Arthur McLaughlin & Associates, Inc., 446374 (BH)~~~~C3a. Sagar Emporium, Inc., 562126 (CH)~~~~C3b. Rohan and Sagar, Inc., 561882 (CH)~~

C4a. Amador Patino and Gerardo Javier Guzman, 532069, 549106 (CH)

C4b. La Primavera Products Svcs., Inc., 550549 (CH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
The Board removed the finality penalty as recommended by staff.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C5a. Andrew J. Laspino, 393823 (GH)~~~~C5b. Patricia M. Laspino, 393822 (GH)~~~~C6. Oak Tree Alternative Care, A California Non-Profit Mutual Benefit Corporation, 597897 (EH)~~

C7. Jaswinder Kaur, 537383, 699250 (DF)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
The Board removed the negligence penalty.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C8a. H&amp;O, Inc., 547859, 709260 (GH)

C8b. H&amp;O, Inc., 559975 (GH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C9. Rigoberto Lopez Nunez, 559883 (DF)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
The Board removed the negligence penalty.	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C10. Jialing Wang, 436517, 546372 (JH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Mr. Horton	
The Board deferred consideration of the matter to the August 2014 Culver City meeting.	Ms. Steel	
	Mr. Runner	
	Ms. Yee	
	Mr. Chiang/ Ms. Mandel	

C11. Chaoyun Li and Laxiu Tian, 436192, 546378 (JH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C12. Capital City Restaurants, Inc., 522640 (KH)~~

**D. Special Taxes Appeals Hearings**

D1. Daniel Frank Allen, 546385, 547969 (STF)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	No
	Mr. Runner	No
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~D2a. Sandy Seybert, 598180 (STF)~~~~D2b. Sandy Seybert, 598183 (STF)~~

E. Property Tax Appeals Hearings  
There are no items for this matter.

**F. Public Hearing**

F1. Proposed Adoption of Sales and Use Tax Regulation 1525.4,  
*Manufacturing and Research & Development Equipment*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**G. Tax Program Nonappearance Matters – Consent**

G1. Legal Appeals Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-item 11.	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

➤ Hearing Notice Sent – No Response

1. Ronald Avedisian, 434518 (AC)
2. Behmard & Associate, Inc., 588418 (AP)
3. Capital Cookery, Inc., 536609 (KH)
4. Partnership of Bridget Riley Hicks and Fred Hicks, 558251 (UT)
5. Rory O'Brien, 625197 (UT)
6. Rogelio Ortiz, 489267 (KH)
7. Davood Rahnema, 562888, 579013 (DF)

- 8. RDB Enterprises, Inc., 603902 (KH)
- 9. T.B.A. Enterprises, Inc., 532453 (AR)
- 10. Harry K. Vernon, 562640 (UT)
- Hearing Notice Sent – Appearance Waived
- 11. ~~Kiwi Stair, Inc., 602125 (KH)~~
- Petition for Release of Seized Property
- 12. Marizzelly De Jesus Aburto, 782694 (STF)
- 13. Moon Joo Kim, 782688 (STF)
- 14. In & Out Food Mart, Inc., 785012 (STF)
- 15. Mian, Inc., 784989 (STF)
- Petitions for Rehearing
- 16. Magnum Breeze II, Inc., 538790 (EH)

## G2. Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-items 2 and 10.	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Hearing Notice Sent – No Response
- 1. Kristina L. Burke, 762690
- 2. ~~Daniel F. Dong, 734198~~
- 3. Connie M. Quijada, 728755
- 4a. James V. Robertson, 731567
- 4b. Erik L. Hayes, 731576
- 4c. Jintau E. Two, 731578
- 4d. Benjamin F. Killen, 731591
- 4e. Eldo M. Klingenberg, Jr., 731595
- 4f. Carol Grant, 731600
- 4g. Richard T. Grant, Jr., 731604
- 4h. David C. Williams, 732520
- 4i. Dan Pickell, 730124
- 4j. John B. Holloway, 726945
- 4k. Champion Wiseman, 727532
- 4l. Marianne Pretscher-Johnson, 738918
- 4m. Steven Ertelt, 738690
- 4n. Rodney Walker, 727664
- 5. April Williams, 722869
- Hearing Notice Sent – Appearance Waived
- 6. Ross Peck and Lois Peck, 681037
- Decisions
- 7. Joyce Bandele, 732680
- 8. Bay Area Gun Vault, LLC, 631038
- 9. Commerce Avenue, LLC, 663753
- 10. ~~Alberto A. Delpino, 576143~~
- 11. Randeep S. Dhillon and Kamalpreet Sidhu, 594206
- 12. John Thomas Gaiser, 605297
- 13. Bahram K. Ganjineh, 592007

14. Steven Garff and April Garff, 711211
15. Robert R. Jimenez, 600984
16. Kevin Jones, 712951
17. Roosevelt Madison and Paula Madison, 593006
18. Chiyong Min, 636183
19. Sean M. Panter, 693108
20. Lynn Rivell, 602165
21. Elizabeth A. Stelzner, 661825
22. John K. Tollison and Kimberly Tollison, 596464
23. Harold L. Votey, Jr., 654986
24. Daniel F. Wald, 626421
- Petitions for Rehearing
25. Troy Jolliff, 638354
26. Ezzelino Pozzato, 604862

G3. Homeowner and Renter Property Tax Assistance Matters  
There are no items for this matter.

G4. Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Relief of Penalty/Interest
  1. Coach, Inc., 804812 (OH)
- Grant-One Day Interest Relief
  2. Abel Chevrolet Pontiac Buick, Co., 804844 (JH)
  3. S.B. Restaurant, Co., 804816 (EA)
  4. Jeffrey Sean Samuels, 804843 (SO)
  5. SABA Holding Company, 804842 (OH)

G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-item 17

- Credits and Cancellations
  1. Aero Union Corporation, 803775 (KH)
  2. Gilead Sciences, Inc., 807484 (BH)
- Refunds
  3. LBS Financial Credit Union, 785719 (EA)
  4. Harris Corporation, 740001 (OH)
  5. Halo Motor Company, 668920 (FH)
  6. Trimble Navigation, LTD, 782218 (GH)
  7. NWA Fuel Services Corporation, 610540 (OH)
  8. Inyo Crude, Inc., 594166 (DF)
  9. Ameron International Corporation, 803394 (EH)
  10. Mountain Counties Supply, Co., 800674 (KH)
  11. Database Marketing Group, Inc., 799972 (EA)
  12. E-One, Inc., 758246 (OH)
  13. Samsung Telecomm America, LLC, 782231 (OH)
  14. Avis Rent A Car System, LLC, 803392 (OH)
  15. Rockwell Collins, Inc., 802791 (OH)
  16. Fastcredit Financial, Inc., 636336 (AS)
  17. Wells Fargo Auto Finance, LLC, 605537 (CH)
  18. TSI Semiconductors America, LLC, 758243 (KH)
  19. Carfinance Capital, LLC, 783418 (EA)

There are no items for the following matters:

- G6. Special Taxes Matters
- G7. Special Taxes Matters – Credits, Cancellations, and Refunds
- G8. Property Tax Matters
- G9. Cigarette License Fee Matters
- G10. Legal Appeals Property Tax Matters

#### H. Tax Program Nonappearance Matters – Adjudicatory

##### H1. Legal Appeals Matters

- Cases Heard Not Decided
  1. ~~WCN, Inc., 491680 (AS)~~
  2. Mark J. Weidhaas and Richard A. Weiner, 577043 (UT)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition granted.	Mr. Horton	Yes
	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## ➤ Petitions for Rehearing

3. Akop Jack Chichyan, Vicken Djeredjian, and Mnatsakan Mike Grigoryan, 388129 (STF)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' petition for rehearing denied and approved adjustments as recommended by the Appeals Division.	Mr. Horton	Yes
	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## H2. Franchise and Income Tax Matters

## ➤ Hearing Notice Sent – No Response

1. Sean Brunske, 597425

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## ➤ Decisions

2. Charles P. Franklin, 417829

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## ➤ Section 40 (AB 2323) Matter

3. Camino Medical Group, Inc., 719011

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. The Board deferred consideration of the matter to the August 2014 Culver City meeting.	Mr. Horton	
	Ms. Steel	
	Mr. Runner	
	Ms. Yee	
	Mr. Chiang/ Ms. Mandel	

There are no items for the following matters:

- H3. Homeowner and Renter Property Tax Assistance Matters
- H4. Sales and Use Taxes Matters
- H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds
- H6. Special Taxes Matters
- H7. Special Taxes Matters – Credits, Cancellations, and Refunds
- H8. Property Tax Matters
- H9. Cigarette License Fee Matters
- H10. Legal Appeals Property Tax Matters

# **I. Tax Program Nonappearance Matters**

- I1. Property Taxes Matters  
There are no items for this matter.

- I2. Offer in Compromise Recommendations

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- 1. Accettura Bros., Inc.
- 2. Khachik Chris Chibilyan
- 3. Inmar West Company, Inc.
- 4. Cory Anthony Iturribarria
- 5. Yong Heui Lee
- 6. Rocio Ramos

- I3. Local Tax Reallocation Matters  
There are no items for this matter.

## **Chief Counsel Matters**

### **J. Rulemaking**

#### **Section 100 Changes**

- J1. Sales and Use Tax Regulation 1684, *Collection of Use Tax by Retailers*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

## Administrative Session

### N. Consent Agenda

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

#### N1. Retirement Resolutions

- LaVern Harvey
- Liz Houser
- Steven C. Kamlin
- Judy M. Knight
- Mike Lorenz

#### N2. Adoption of Property Tax Form

- BOE-571-W, *2015 Wind Generation Property Statement*

- O. Adoption of Board Committee Report and Approval of Committee Actions  
There are no items for this matter.

### P. Other Administrative Matters

#### P1. Executive Director's Report

1. Report on time extension to Napa County to complete and submit 2014/15 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155.
2. ~~Summons to Annual Meeting of the Board and County Assessors and Proposed Meeting Location~~
3. CROS Project Update and Actions

There are no items for the following matters:

- P2. Chief Counsel Report
- P3. Sales and Use Tax Deputy Director's Report
- P4. Property and Special Taxes Deputy Director's Report
  1. 2014/15 Private Railroad Car Tax Rate 'CF'

## 2. Adoption of the 2014 Private Railroad Car Roll 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not participating

## 3. Adoption of the 2014 State-Assessed Property Roll 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Absent
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not participating

4. ~~Assessment Practices Survey Program~~ Presentation of Modernization Reforms~~P5. Administration Deputy Director's Report~~~~1. Facilities Update~~

There are no items for the following matters:

P6. Technology Deputy Director's Report

P7. External Affairs Deputy Director's Report

**Q. Closed Session**